

*Interim Supply*

I would also like to have an explanation of the complete change in policy so far as quota milk is concerned, the price and control of which has been transferred to the provincial authorities. This seems to be a complete contradiction of what the minister told the house a few months ago when Quebec was paying a subsidy not paid by Ontario.

There is another matter concerning the new policy which disturbs me a little. We are told that quotas are the property of the commission and may not be sold or transferred by the person to whom they are issued. The statement reads as follows:

Reallocations of quotas will rest with the commission. In any reallocation of quotas in normal transfers of ownership the prime objective of the commission will be to so manage such reallocations as to assist existing quota holders to develop economic units and to avoid perpetuation of uneconomic units.

What will happen if a dairy farmer wishes to sell his operation? The statement goes on to say that the commission will consider application for the reallocation of quota from the quota holder to an immediate member of his family such as a husband, wife, brother, sister, son or daughter, but it does not say anything about what happens to the quota if it is sold, what is commonly referred to as being at arm's length.

Another point is that the acquisition of an additional quota, at least in the fluid milk business, is a very expensive undertaking. Dairy producers must ship above their quota and accept a substantially lower price for a long period of time before their quota is increased. As a matter of fact there are areas in Canada where the fluid milk quota sells for as much as \$15 to \$18 a pound. This is an indication of its great value. In most cases the reason that it is so valuable is that it is extremely expensive to establish in the first instance. In the province of Alberta—I am not certain about other areas—a dairy farmer must ship milk above the quota for many months before he can have his quota increased. He must sell milk above the quota at a 40 to 50 per cent reduction in price. In addition to that, even though he may ship away above the quota for a few months, in some provinces the quota is set at the lowest two months of the year. This means that his quota is set on the basis of those two months when his production costs are at their peak.

I suggest to the minister that the production of manufacturing milk or butterfat is almost as expensive as the production of fluid milk. Therefore it seems to me the farmer

[Mr. Olson.]

should be allowed to transfer quotas when the farm unit is sold, or even transfer his quota for a certain sum of money if he wishes to reduce his production.

● (9:30 p.m.)

According to the information we have before us from the dairy commission, it appears that all quotas shall be the property of the commission and they will not be transferred for any consideration to the producer who has established that quota.

I am not going to detain the house further. These are important questions to the dairy farmers of Canada. While I said at the outset that we should have had this debate some time ago, perhaps the minister will now be ready to provide some illumination of the statement he made on March 22 and some detailed explanation about what will be the application of this new policy from the point of view of the farmer.

**Mr. Cowan:** Mr. Chairman, it will be five years in June since I was first elected to the House of Commons and sat in opposition for ten months. Many of us were re-elected in 1963, and a larger number of Liberals having been elected the government and cabinet was formed by Liberals who sat to the right of Mr. Speaker.

I believe that every member of the house is well aware of the seating plan which is distributed to visitors in the gallery and to those who tour the premises when the house is not in session. Following the acquisition of power by the Liberal party in June of 1963, a very clever Liberal Gordon Moore from the riding of York-Humber came to Ottawa on business and one afternoon sat in the gallery. When dinnertime arrived I met him in the lobby and he greeted me with the statement that he would not be working for the Liberal party again after reading the seating plan of the House of Commons.

I asked him what had caused him offence, and he said to me: "This seating plan shows a little black fence around the cabinet ministers". I point out that this was in 1963. I said to him: "Certainly, it has been there for some time". He said: "But it is labelled 'The Government' ". And so it was, Mr. Chairman. Then he said to me: "What the devil are you doing sitting a couple of seats behind the government? I thought I and other working Liberals had elected you to the government, but I come to Ottawa and I learn something entirely different".